

salvaging these materials can be developed so that the additional material taken from them is brought in at a level of economics that will be operable, I think we are going to see increased utilization take place.

Senator HATFIELD. So actually we are moving on this, we are progressing in the development of this full utilization concept, and the Government could not use as an excuse such a possible crisis with British Columbia or other Canadian interests, could not be used as an excuse to fail to take action here that we are talking about in relation to export of logs.

Mr. JOHNSON. I am not certain that I understand the question.

Senator HATFIELD. Do you feel this is a program that we are moving on now in the full utilization, so that the Government could not use as an excuse, well, let the American interests move into some of these other areas of development to greater utilization and compensate or balance off some of their economic problems they now face with Japanese log exports?

Mr. JOHNSON. I think that our degree of utilization within the framework of our existing equipment and operational techniques is very high at the present time.

Senator HATFIELD. On page 6 and page 7 you talk about the purposes of the original acts. Then following that you state that you believe the same export restrictions as are used in Alaska should be imposed upon Federal timber in Washington, and Oregon, in other words, to maintain and stimulate the existing forest products industry under competitive conditions.

Would you expand and clarify for me at least the idea that you are expressing here as the same export restrictions that are used in Alaska? You are talking now about the specific existing Alaska restrictions, or are you talking about the general concept of restrictions?

Mr. JOHNSON. The idea that we have is that our experience insofar as reviewing contracts that have been proposed to be entered into between the Forest Service and the purchasers of Federal timber in Alaska specifically provide that the export of round logs will not be permitted unless by permission of the Forest Service, by permit, and this is our idea with respect to the national forests of Washington and Oregon.

Senator HATFIELD. Then as I understand it, you want to go one step further than that which we have heard discussed before this committee as to restrictions based upon some sort of level, like, for instance, the 1966 level of 350 million board feet. You want to go one step further, to make all logs, all round logs exportable only under special permit, is that the proposal that I understand you to make?

Mr. JOHNSON. This is correct, Senator.

Senator HATFIELD. Do you then not feel that the so-called temporary restriction based upon the 1966 level would correct the problem?

Mr. JOHNSON. It would help to correct the problem.

Senator HATFIELD. But you feel that it really, to be a long term adjustment here, can only be achieved under a total ban with the exception of a permit?

Mr. JOHNSON. Yes.

Senator HATFIELD. Of round logs?

Mr. JOHNSON. This is correct.